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Holdings Inc. and Certain of its Affiliates

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re</b>	:
	:
<b>LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i>,</b>	:
	:
<b>Debtors.</b>	:
	:
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**Chapter 11 Case No.  
08-13555 (JMP)  
(Jointly Administered)**

**STIPULATION, AGREEMENT AND ORDER BETWEEN BNC MORTGAGE LLC AND  
MILLCENT ANDRADE PROVIDING FOR RELIEF FROM THE AUTOMATIC STAY  
WITH REGARD TO CERTAIN REAL PROPERTY LOCATED IN LIHUE, HAWAII**

TO THE HONORABLE JAMES M. PECK  
UNITED STATES BANKRUPTCY JUDGE:

This Stipulation, Agreement and Order (the “Stipulation, Agreement and Order”) is entered into by Lehman Brothers Holdings Inc. (“LBHI”), as Plan Administrator (the “Plan Administrator”) under the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors (the “Plan”) for the entities in the above referenced chapter 11 cases, on behalf of BNC Mortgage LLC (“BNC”), and Millicent Andrade (“Andrade”).

**RECITALS**

A. On September 15, 2008 and periodically thereafter (as applicable, the “Commencement Date”), LBHI and certain of its subsidiaries (collectively, the “Debtors”)

commenced with this Court voluntary cases (the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). BNC commenced its Chapter 11 Case on January 9, 2009.

B. On or about June 14, 2005, Andrade executed a mortgage (the “Andrade Mortgage”) in favor of BNC Mortgage, Inc.<sup>1</sup>, which was transferred to Mortgage Electronic Registration Systems, Inc. (“MERS”) as nominee for BNC, as security for the repayment of the original principal sum of \$291,920 due under a note (the “Andrade Note,” and together with the Andrade Mortgage, the “Andrade Loan”). The Andrade Mortgage granted MERS, as nominee for BNC, a security interest in certain real property located at 2090 Hanalima Street, #DD201, Lihue, Hawaii (the “Property”).

C. On or about June 13, 2005, Andrade executed a second mortgage (the “Subordinate Mortgage”) in favor of BNC Mortgage, Inc., which was transferred to MERS as nominee for BNC, as security for the repayment of the original principal sum of \$72,980 due under a note (the “Subordinate Note,” and together with the Subordinate Mortgage, the “Subordinate Loan”). The Subordinate Mortgage granted MERS, as nominee for BNC, a junior security interest in the Property.

D. According to the Debtors’ records, both the Andrade Loan and the Subordinate Loan were transferred from BNC to Lehman Brothers Bank FSB (n/k/a Aurora Bank FSB) on July 22, 2005, and then from Lehman Brothers Bank FSB to LBHI and from LBHI to Structured Asset Securities Corporation (“SASCO”) on August 30, 2005. SASCO

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<sup>1</sup> BNC Mortgage, Inc. and BNC Mortgage LLC are the same entity. BNC was originally organized under the laws of Delaware as a corporation under the name “BNC Mortgage, Inc.” On or about January 13, 1998, BNC changed its corporate form from a corporation to a limited liability company under the name “BNC Mortgage LLC.” BNC is still referred to as “BNC Mortgage Inc.” in those states in which it is registered to conduct business under its former name.

immediately sold the Andrade Loan and the Subordinate Loan into a securitization trust called SAIL 2005-HE3. As of the Commencement Date, therefore, none of the Debtors held a direct interest in the Andrade Loan or the Subordinate Loan.

E. On December 6, 2011, the Court entered an order confirming the Plan (the “Confirmation Order”) [ECF No. 23023]. The Plan became effective on March 6, 2012.

F. Andrade represents that she has satisfied the Andrade Loan and the Subordinate Loan in full. Andrade also represents that records of BNC’s former interests in the Property remain on the local property records, creating an impediment to Andrade’s ability to acquire clean title to the Property. Accordingly, Andrade seeks entry of an order partially modifying the automatic stay extant in BNC’s chapter 11 case pursuant to section 362 of the Bankruptcy Code and the Confirmation Order (the “Automatic Stay”) in order to allow Andrade to exercise her non-bankruptcy rights and remedies as to the Property including, but not limited to, commencing an action to quiet title.

G. In light of the foregoing, and to ensure that Andrade is not prohibited from exercising her rights with respect to the Property, BNC and Andrade (each a “Party” and together, the “Parties”) have agreed, subject to approval of this Court, to the terms set forth below.

**NOW, THEREFORE, UPON THE FOREGOING RECITALS, WHICH ARE INCORPORATED AS THOUGH FULLY SET FORTH HEREIN, IT IS HEREBY STIPULATED AND AGREED, BY AND BETWEEN ANDRADE, ON HER OWN BEHALF, AND LBHI THROUGH ITS UNDERSIGNED COUNSEL, AND, UPON COURT APPROVAL HEREOF, IT SHALL BE ORDERED THAT:**

1. This Stipulation, Agreement and Order shall have no force or effect unless and until approved by the Court (the “Effective Date”).

2. Upon the Effective Date, the Automatic Stay extant in BNC's Chapter 11 Case shall be modified with respect to Andrade's interest in the Property and Andrade shall be permitted to exercise her rights under applicable non-bankruptcy law against the Property.

3. Except as provided in paragraph 2, the provisions of section 362(a) of the Bankruptcy Code and paragraph 54 of the Confirmation Order, including, without limitation, those provisions prohibiting any act to collect, assess, or recover a claim that arose prior to the Commencement Date from BNC's estate and/or assets or property of BNC (as defined in section 541 of the Bankruptcy Code) shall remain in full force and effect.

4. This Stipulation, Agreement and Order may only be amended or otherwise modified by a signed writing executed by the Parties.

5. Each person who executes this Stipulation, Agreement and Order by or on behalf of a Party represents and warrants that he or she has been duly authorized and empowered to execute and deliver this Stipulation, Agreement and Order on behalf of such Party.

6. This Stipulation, Agreement and Order may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation, Agreement and Order to present any copy, copies, electronic copies, or facsimiles signed by the Parties.

7. Each Party to this Stipulation, Agreement and Order represents that it fully understands the terms hereof. This Agreement shall not be strictly construed against either Party on the ground that the rules for the construction of contracts require the resolution of any ambiguity against the Party that drafted the document.

8. This Stipulation, Agreement and Order shall be effective immediately upon its entry and shall not be stayed pursuant to Bankruptcy Rule 4001(a)(3).

9. This Court shall retain jurisdiction to resolve any disputes or controversies arising from this Stipulation, Agreement and Order.

Dated: July 24, 2012  
Lihue, Hawaii

/s/ Millicent Andrade

Millicent Andrade

2090 Hanalima Street  
Lihue, Hawaii 96766  
Telephone: (808) 343-3671  
Facsimile: (877) 916-6637

Dated: July 24, 2012  
New York, New York

/s/ Jacqueline Marcus

Jacqueline Marcus

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Attorneys for Lehman Brothers Holdings Inc. and  
Certain of its Affiliates

**SO ORDERED:**

Dated: New York, New York  
August 7, 2012

s/ James M. Peck

Honorable James M. Peck  
United States Bankruptcy Judge